

E-016-18

[ORIGINAL]

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

APPLICATION FOR PERMIT- 01/2017 Edition

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

APPLICATION FOR EXEMPTION PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

RECEIVED

This Section must be completed for all projects.

MAR 16 2018

Facility/Project Identification

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility Name:	Schaumburg Surgery Center (Real Estate Only)		
Street Address:	929 W. Higgins Road		
City and Zip Code:	Schaumburg 60195		
County:	Cook	Health Service Area	7 Health Planning Area: A-07

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name:	Schaumburg Medical Properties, LLC
Street Address:	One Town Center Road, Suite 300
City and Zip Code:	Boca Raton, FL 33486
Name of Registered Agent:	The Corporation Trust Company
Registered Agent Street Address:	1209 Orange Street
Registered Agent City and Zip Code:	Wilmington, DE 19801
Name of Chief Executive Officer:	Albert Rabil, III
CEO Street Address:	One Town Center Road, Suite 300
CEO City and Zip Code:	Boca Raton, FL 33486
CEO Telephone Number:	561-300-6200

Type of Ownership of Applicants

- | | | |
|---|--|--------------------------------|
| <input type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership | |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental | |
| <input checked="" type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Other |

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name:	Joe Ourth
Title:	Partner
Company Name:	Saul Ewing Arnstein & Lehr LLP
Address:	161 N. Clark Street, Suite 4200, Chicago, IL 60601
Telephone Number:	312-876-7815
E-mail Address:	joe.ourth@saul.com
Fax Number:	312-876-6215

Additional Contact [Person who is also authorized to discuss the application for exemption permit]

Name:	
Title:	
Company Name:	

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD APPLICATION FOR EXEMPTION PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	Schaumburg Surgery Center (Real Estate Only)		
Street Address:	929 W. Higgins Road		
City and Zip Code:	Schaumburg 60195		
County:	Cook	Health Service Area	7 Health Planning Area: A-07

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name:	KAREP V MO REIT, LLC
Street Address:	One Town Center Road, Suite 300
City and Zip Code:	Boca Raton, FL 33486
Name of Registered Agent:	The Corporation Trust Company
Registered Agent Street Address:	1209 Orange Street
Registered Agent City and Zip Code:	Wilmington, DE 19801
Name of Chief Executive Officer:	Albert Rabil, III
CEO Street Address:	One Town Center Road, Suite 300
CEO City and Zip Code:	Boca Raton, FL 33486
CEO Telephone Number:	6561-300-6200

Type of Ownership of Applicants

- | | | |
|---|--|--------------------------------|
| <input type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership | |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental | |
| <input checked="" type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Other |

- o Corporations and limited liability companies must provide an Illinois certificate of good standing.
- o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name:	Joe Ourth
Title:	Partner
Company Name:	Saul Ewing Amstein & Lehr LLP
Address:	161 N. Clark Street, Suite 4200, Chicago, IL 60601
Telephone Number:	312-876-7815
E-mail Address:	joe.ourth@saul.com
Fax Number:	312-876-6215

Additional Contact [Person who is also authorized to discuss the application for exemption permit]

Name:	
Title:	
Company Name:	

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION PERMIT****SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION****This Section must be completed for all projects.****Facility/Project Identification**

Facility Name:	Schaumburg Surgery Center (Real Estate Only)		
Street Address:	929 W. Higgins Road		
City and Zip Code:	Schaumburg 60195		
County:	Cook	Health Service Area	7 Health Planning Area: A-07

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name:	Chicagoland Medical Portfolio DST
Street Address:	2901 Butterfield Road
City and Zip Code:	Oak Brook, IL 60523
Name of Registered Agent:	The Corporation Trust Company
Registered Agent Street Address:	1209 Orange Street
Registered Agent City and Zip Code:	Wilmington, DE 19801
Name of Chief Executive Officer:	Keith Lampi, President of Inland Private Capital Corporation
CEO Street Address:	2901 Butterfield Road
CEO City and Zip Code:	Oak Brook, IL 60523
CEO Telephone Number:	630-218-8000

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none">Corporations and limited liability companies must provide an Illinois certificate of good standing.Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.	

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**Primary Contact [Person to receive ALL correspondence or inquiries]**

Name:	Joe Ourth
Title:	Partner
Company Name:	Saul Ewing Arnstein & Lehr LLP
Address:	161 N. Clark Street, Suite 4200, Chicago, IL 60601
Telephone Number:	312-876-7815
E-mail Address:	joe.ourth@saul.com
Fax Number:	312-8766215

Additional Contact [Person who is also authorized to discuss the application for exemption permit]

Name:	
Title:	
Company Name:	

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD APPLICATION FOR EXEMPTION PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	Schaumburg Surgery Center (Real Estate Only)		
Street Address:	929 W. Higgins Road		
City and Zip Code:	Schaumburg 60195		
County:	Cook	Health Service Area	7 Health Planning Area: A-07

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name:	The Inland Group, Inc.
Street Address:	2901 Butterfield Road
City and Zip Code:	Oak Brook, IL 60523
Name of Registered Agent:	The Corporation Trust Company
Registered Agent Street Address:	1209 Orange Street
Registered Agent City and Zip Code:	Wilmington, DE 19801
Name of Chief Executive Officer:	Daniel Goodwin, President
CEO Street Address:	2901 Butterfield Road
CEO City and Zip Code:	Oak Brook, IL 60523
CEO Telephone Number:	630-218-8000

Type of Ownership of Applicants

- | | | |
|---|--|--------------------------------|
| <input type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership | |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental | |
| <input checked="" type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Other |

- o Corporations and limited liability companies must provide an Illinois certificate of good standing.
- o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name:	Joe Ourth
Title:	Partner
Company Name:	Saul Ewing Arnstein & Lehr LLP
Address:	161 N. Clark Street, Suite 4200, Chicago, IL 60601
Telephone Number:	312-876-7815
E-mail Address:	joe.ourth@saul.com
Fax Number:	312-876-6215

Additional Contact [Person who is also authorized to discuss the application for exemption permit]

Name:	
Title:	
Company Name:	

Post Exemption Permit Contact

[Person to receive all correspondence subsequent to permit issuance-THIS PERSON **MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**]

Name:	Gregg Graines
Title:	General Counsel & Senior Vice President
Company Name:	MBRE Healthcare
Address:	181 W. Madison, Suite 4700, Chicago, IL 60602
Telephone Number:	312-487-5960
E-mail Address:	ggraines@mbres.com
Fax Number:	312-807-3853

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Chicagoland Medical Portfolio DST
Address of Site Owner:	2901 Butterfield Road, Oak Brook, IL 60523
Street Address or Legal Description of the Site:	
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.	
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Operating Identity/Licensee

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name:	Schaumburg Surgery Center, LLC		
Address:	929 W. Higgins Road, Schaumburg, IL 60195		
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> For-profit Corporation <input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other	
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. 			
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements N/A/ Change of Ownership of building only
[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 ([http:// www.illinois.gov/sites/hfsrb](http://www.illinois.gov/sites/hfsrb)).

APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements N/A – Change of Ownership of building only
[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT 6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT**1. Project Classification**

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

- ☒ Change of Ownership
- ☐ Discontinuation of an Existing Health Care Facility or of a category of service
- ☐ Establishment or expansion of a neonatal intensive care or beds

The transaction is for the change of ownership of the property owner. The property owners and the licensed facility are not related entities. There is no change to the licensee.

2. Narrative Description

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Schaumburg Surgery Center, LLC (the "License Holder") is located within a medical office building located at 929 W. Higgins Road, Schaumburg (the "Property"). The current owner of that Property, Chicagoland Medical Portfolio DST, a Delaware statutory trust ("Existing Owner") is ultimately controlled by The Inland Group, Inc. (together with the Existing Owner, the "Owner"). The Property is improved with an approximately 40,000 square foot medical office building (the "Building"). The License Holder is a sub-tenant in the Building and leases approximately 5,000 square feet of the Building (the "Leased Space"). The License Holder and the Owner are unrelated, unaffiliated entities, although several physicians collectively have a passive non-controlling interest of less than 20% in the Property and do not possess any management or decision rights with respect to the Existing Owner.

This application for a certificate of exemption is for the change in ownership of the physical plant only and there is no change to the ownership or operation of the facility. The License Holder is unrelated to the Owners, and is not party to the proposed transaction.

The Owner and other entities affiliated with the Owner have executed a Purchase and Sale Agreement dated January 30, 2018 to sell the Property to Schaumburg Medical Properties, LLC (the "New Owner"). The purchase agreement for the Property is subject to the approval of a COE by the Review Board. The purchase price for the Property is \$17,750,000 and the Property will be conveyed to the New Owner through a special warranty deed which will be recorded with the Cook County Recorder's Office. The New Owner is controlled by and majority owned by KAREP V MO REIT, LLC, a real estate investment trust (REIT) focused on investing in health care real estate.

As the Leased Space represents approximately 12.5% percent of the total square feet of the Building, the estimated value of the Property attributable to the Leased Space is approximately \$2,218,750. The acquisition of the Property by the New Owner is not expected to result in any changes in the operations of the License Holder or the activities or operations conducted in the Lease Space.

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Purchase Price: \$	_____	
Fair Market Value: \$	_____	
The project involves the establishment of a new facility or a new category of service <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100. Estimated start-up costs and operating deficit cost is \$ _____.		

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.
Indicate the stage of the project's architectural drawings: <input checked="" type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary <input type="checkbox"/> Schematics <input type="checkbox"/> Final Working
Anticipated project completion date (refer to Part 1130.140): April 15, 2018
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140): <input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed. <input type="checkbox"/> Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies <input checked="" type="checkbox"/> Financial Commitment will occur after permit issuance.
APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable: <input type="checkbox"/> Cancer Registry <input type="checkbox"/> APORS N/A <input type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted <input type="checkbox"/> All reports regarding outstanding permits N/A Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Schaumburg Medical Properties, LLC* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Peter Westmeyer

PRINTED NAME

Manager

PRINTED TITLE

SIGNATURE

Gress Grainer

PRINTED NAME

Authorized Signatory

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 12 day of March, 2018

Notarization:

Subscribed and sworn to before me
this 12 day of March, 2018

Signature of Notary

Seal

MICHELLE ROBERTSON
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
November 03, 2019

Signature of Notary

Seal

MICHELLE ROBERTSON
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
November 03, 2019

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of KAREP V MO REIT, LLC*
 In accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

S. David Selznick

PRINTED NAME

Vice President

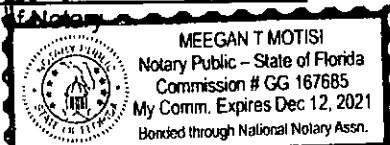
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 12 day of March, 2018Meehan T. Motisi

Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

SIGNATURE

Russell M. Reiter

PRINTED NAME

Secretary

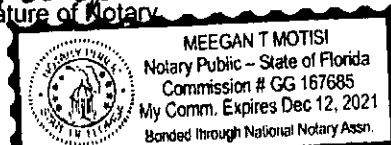
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 12 day of March, 2018Meehan T. Motisi

Signature of Notary

Seal



CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of The Inland Group, Inc.* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

Roberta S. Mathlin
SIGNATURE

ROBERTA S. MATHLIN
PRINTED NAME

VICE PRESIDENT
PRINTED TITLE

Ernest Fiorante
SIGNATURE

Ernest Fiorante
PRINTED NAME

CFO
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 13th day of March, 2018

Laura Razo
Signature of Notary

Seal

*Insert the EXACT legal name of the applicant
Notary Public, State of Illinois
My Commission Expires Oct 28, 2019

Notarization:

Subscribed and sworn to before me
this 13th day of March, 2018

Laura Razo
Signature of Notary

Seal

OFFICIAL SEAL
LAURA RAZO
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Oct 28, 2019

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- In the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Chicagoland Medical Portfolio DST, a Delaware statutory trust, By: Chicagoland Medical Portfolio Exchange, L.L.C., its signatory trustee; By: Inland Private Capital Corporation, its sole member* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 13th day of March, 2018

Signature of Notary

Seal

OFFICIAL SEAL
LAURA RAZO
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Oct 28, 2019

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 13th day of March, 2018

Signature of Notary

Seal

OFFICIAL SEAL
LAURA RAZO
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Oct 28, 2019

**SECTION III. BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES
- INFORMATION REQUIREMENTS**

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Background

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1110.230 – Purpose of the Project, and Alternatives (Not applicable to Change of Ownership)

For projects involving modernization, describe the conditions being upgraded, if any. For facility projects, include statements of the age and condition of the project site, as well as regulatory citations, if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Report.

APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options must include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION V. CHANGE OF OWNERSHIP (CHOW)**1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility**

1. Prior to acquiring or entering into a contract to acquire an existing health care facility, a person shall submit an application for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.
2. If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.
3. READ the applicable review criteria outlined below and **submit the required documentation (key terms) for the criteria:**

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(1)(A) - Names of the parties	X
1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.	X
1130.520(b)(1)(C) - Structure of the transaction	X
1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction	X
1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.	X
1130.520(b)(1)(F) - Fair market value of assets to be transferred.	X
1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]	X
1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section	X
1130.520(b)(2) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction	X

1130.520(b)(2) - A statement as to the anticipated benefits of the proposed changes in ownership to the community	X
1130.520(b)(2) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;	X
1130.520(b)(2) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(2) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(2) - A statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility	X
1130.520(b)(2)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.	X

Application for Change of Ownership Among Related Persons

When a change of ownership is among related persons, and there are no other changes being proposed at the health care facility that would otherwise require a permit or exemption under the Act, the applicant shall submit an application consisting of a standard notice in a form set forth by the Board briefly explaining the reasons for the proposed change of ownership. [20 ILCS 3960/8.5(a)]

APPEND DOCUMENTATION AS ATTACHMENT 15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. CHARITY CARE INFORMATION (CHOW ONLY)

Charity Care information **MUST** be furnished for **ALL** projects [1120.20(c)].

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care **must** be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 41.

CHARITY CARE			
	2013	2014	2015
Net Patient Revenue	N/A	N/A	N/A
Amount of Charity Care (charges)	N/A	N/A	N/A
Cost of Charity Care	N/A	N/A	N/A

APPEND DOCUMENTATION AS **ATTACHMENT 21**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	19
2	Site Ownership	20
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	21
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	22
5	Flood Plain Requirements	31
6	Historic Preservation Act Requirements	32
7	Project and Sources of Funds Itemization	N/A
8	Financial Commitment Document if required	N/A
9	Cost Space Requirements	N/A
10	Discontinuation	N/A
11	Background of the Applicant	33
12	Purpose of the Project	N/A
13	Alternatives to the Project	N/A
	Service Specific:	
14	Neonatal Intensive Care Services	N/A
15	Change of Ownership	34
	Financial and Economic Feasibility:	
16	Availability of Funds	
17	Financial Waiver	
18	Financial Viability	
19	Economic Feasibility	
20	Safety Net Impact Statement	
21	Charity Care Information	

Section I, Identification, General Information and Certification

Attachment 1, Type of Ownership of Applicants

An organizational chart showing the current corporate structure of the Applicants along with the post-closing ownership structure of the Applicants is included in Attachment 4. Good standing certificates for the Applicants are also attached:

1. Schaumburg Surgery Center, LLC (the "Surgery Center"): the Surgery Center is an Illinois limited liability company and is the licensed operator of Schaumburg Surgery Center (the "Surgery Center"). The Surgery Center leases space within a medical office building for its surgery center. Other than the lease, the Surgery Center has no relationship or affiliation with the owner of the property although several physicians collectively own a non-controlling interest of less than 20% of the Property. The License Holder is not a party to the transaction involving the realty, and is included for informational purposes, but not as an applicant.
2. Chicagoland Medical Portfolio DST: is a Delaware statutory trust and the current owner of the medical office building in which the Surgery Center is located. A Delaware Certificate of Good Standing is attached.
3. The Inland Group, Inc. ("Inland"): Inland is a Delaware corporation and is the controlling entity of Chicagoland DST and is consequently included as a co-applicant. Inland is not required to obtain authorization to do business in Illinois, but a Delaware Certificate of Good Standing is included.
4. Schaumburg Medical Properties, LLC ("Medical Properties"): Medical Properties is a Delaware limited liability company and will be the entity that will hold title to the real property under the proposed transaction. An Illinois certificate authorizing Medical Properties to do business in Illinois is included.
5. KAREP V MO REIT, LLC ("KAREP"): KAREP is a Delaware limited liability company. KAREP is a real estate investment trust and is the controlling entity of Schaumburg Medical Properties LLC and is consequently included as a co-applicant. Because KAREP performs no operations in Illinois, it is not required to obtain authorization to do business in Illinois, but a Delaware Certificate of Good Standing is included.

Section I, Identification, General Information and Certification

Attachment 2, Site Ownership

Schaumburg Surgery Center is a tenant in the office building at 929 W. Higgins Road in Schaumburg. There will be no change in the surgery center operations as a result of this transaction. The transaction is for the sale of the realty only. The site is presently owned by Chicagoland Medical Portfolio DST. In this proposed transaction the underlying real property will be sold to Schaumburg Medical Office Building, LLC. The property will be managed by MB Real Estate Services, Inc.

Section I, Identification, General Information and Certification

Attachment 3, Operating Identity/Licensee

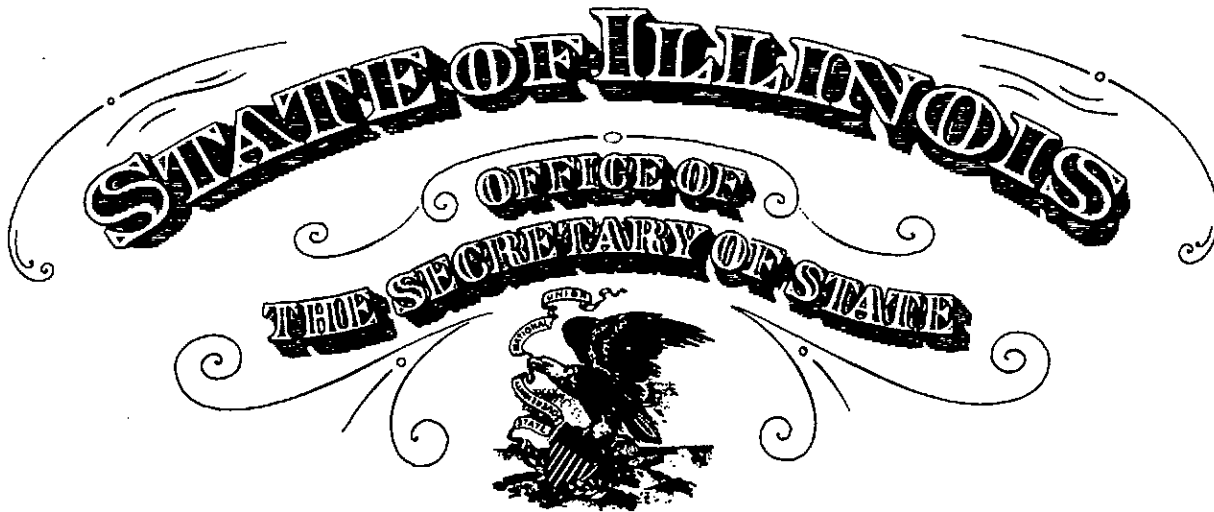
Schaumburg Surgery Center, LLC ("SSC") will continue to be the licensed entity operating the facility.

Schaumburg Surgery Center is an Illinois limited liability company.

An organizational chart showing the current ownership structure of the realty companies and SSC is included in Attachment 4. There should be no change in the licensee's structure as a result of this transaction.

Section I, Identification, General Information and Certification

Attachment 4, Organizational Relationships



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

SCHAUMBURG MEDICAL PROPERTIES, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON MARCH 08, 2018, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 9TH
day of MARCH A.D. 2018 .***

Jesse White

SECRETARY OF STATE

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "SCHAUMBURG MEDICAL PROPERTIES, LLC", FILED IN THIS OFFICE ON THE SIXTH DAY OF MARCH, A.D. 2018, AT 2:39 O'CLOCK P.M.



6784512 8100
SR# 20181733955

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JB", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Jeffrey W. Bullock, Secretary of State

Authentication: 202268573
Date: 03-06-18

State of Delaware
Secretary of State
Division of Corporations
Delivered 02:39 PM 03/06/2018
FILED 02:39 PM 03/06/2018
SR 20181733955 - File Number 6784512

CERTIFICATE OF FORMATION

OF

SCHAUMBURG MEDICAL PROPERTIES, LLC

The undersigned, an authorized natural person, for the purpose of forming a limited liability company under the provisions and subject to the requirements of the State of Delaware (particularly Chapter 18, Title 6 of the Delaware Code and the acts amendatory thereof and supplemental thereto, and known, identified and referred to as the "Delaware Limited Liability Company Act"), hereby certifies that:

FIRST. The name of the limited liability company (hereinafter called the "Limited Liability Company") **SCHAUMBURG MEDICAL PROPERTIES, LLC.**

SECOND. The address of the registered office and the name and address of the registered agent of the Limited Liability Company required to be maintained by Section 18-104 of the Delaware Limited Liability Company Act are c/o National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware 19904. The name of its registered agent at that address is National Registered Agents, Inc.

Executed on March 6, 2018.

/s/ Meegan T. Motisi

Meegan T. Motisi, Authorized Person

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "KAREP V MO REIT, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FIFTEENTH DAY OF MARCH, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "KAREP V MO REIT, LLC" WAS FORMED ON THE TWENTY-FOURTH DAY OF APRIL, A.D. 2017.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN ASSESSED TO DATE.



6390580 8300

SR# 20181942832

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature of Jeffrey W. Bullock in black ink, written over a horizontal line.

Jeffrey W. Bullock, Secretary of State

Authentication: 202327063

Date: 03-15-18

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "CHICAGOLAND MEDICAL PORTFOLIO DST" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SIXTH DAY OF MARCH, A.D. 2018.



5532235 8300

SR# 20181741049

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JB", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Authentication: 202267441

Date: 03-06-18

ATTACHMENT 4

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "THE INLAND GROUP, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SIXTH DAY OF MARCH, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.



941634 8300

SR# 20181740922

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature of Jeffrey W. Bullock in black ink, written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Jeffrey W. Bullock, Secretary of State

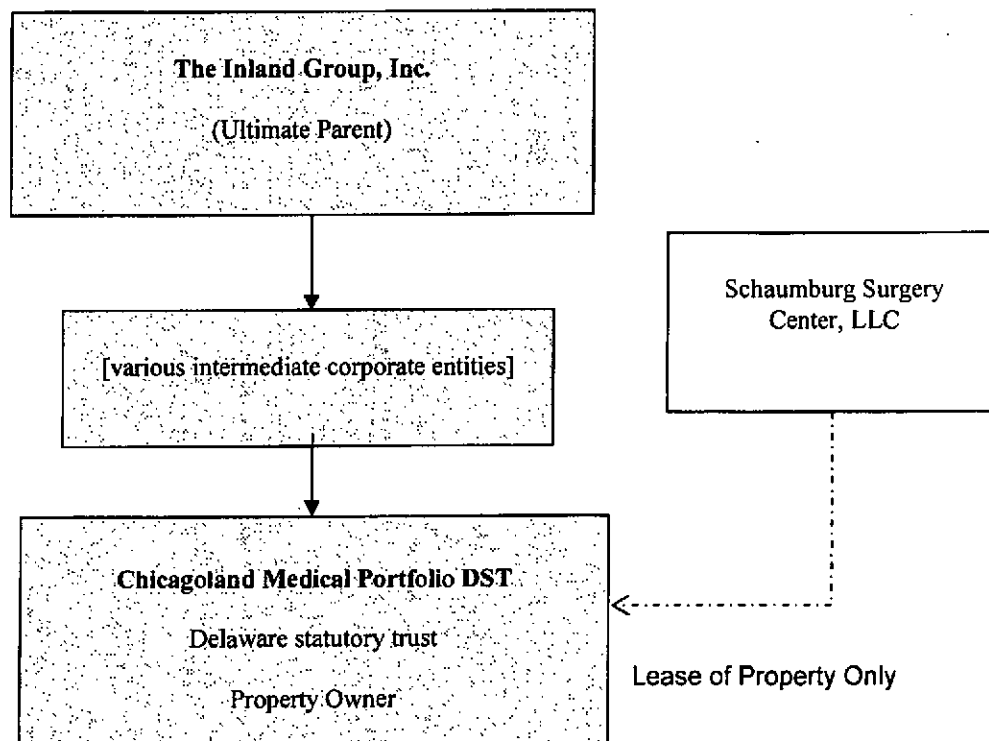
Authentication: 202267359

Date: 03-06-18

ATTACHMENT 4

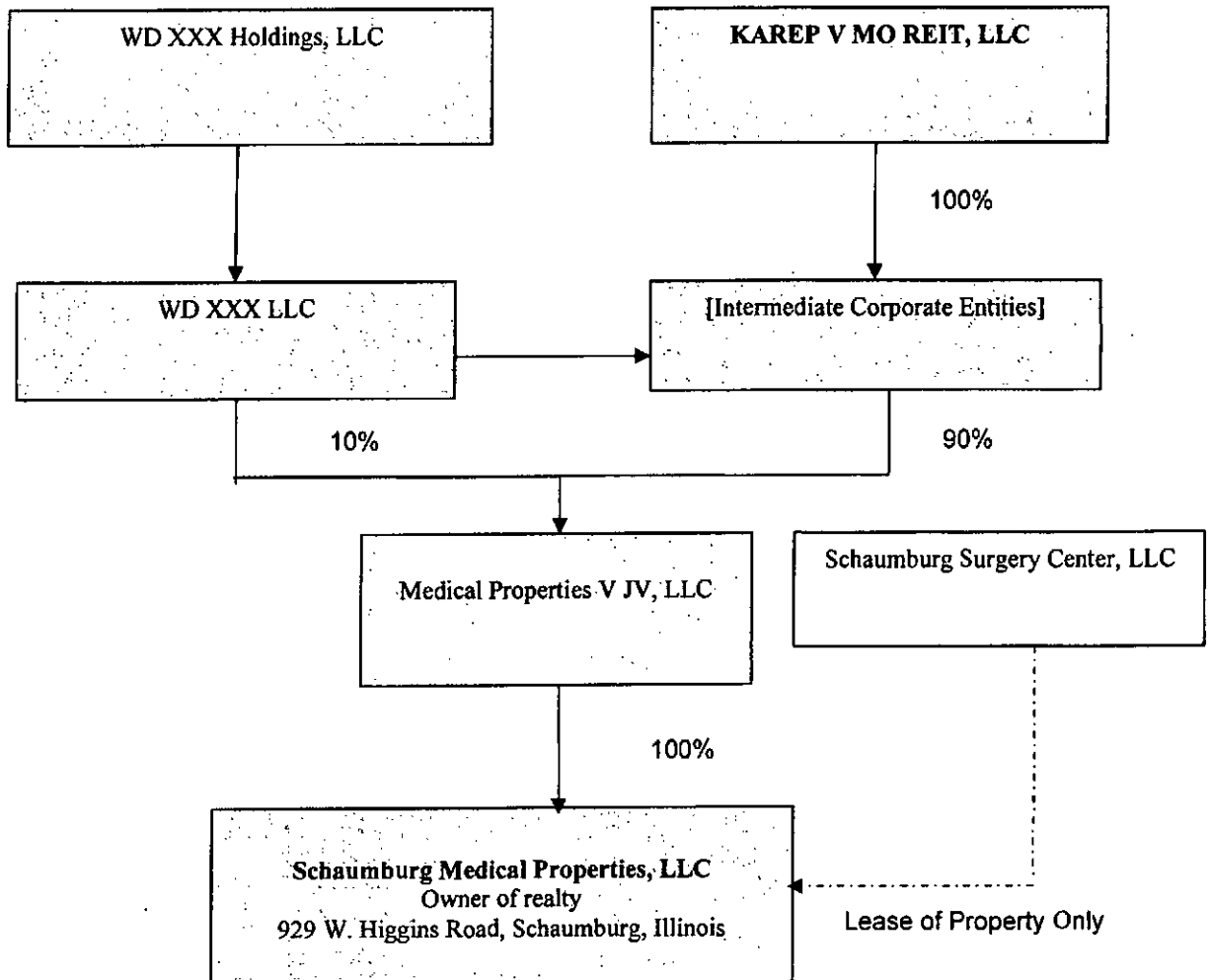
Current Organization Chart

929 W. Higgins Road
(Schaumburg Surgery Center)
Realty Only



Post Closing Organizational Chart

929 W. Higgins Road
(Schaumburg Surgery Center)
Realty Only



Bold names denote necessary applicants

Section I, Identification, General Information and Certification

Attachment 5, Flood Plain Requirement

This section appears not to be applicable to a change of ownership COE application.

Section I, Identification, General Information and Certification

Attachment 6, Historic Resources Preservation Act Requirements

This section appears not to be applicable to a change of ownership COE application.

Section III, Background, Purpose of the Project, and Alternatives

Attachment 11, Background

1. A listing of all health care facilities owned or operated by the Applicant, including licensing, and certificate if applicable.

The Applicants operate no health facilities.

2. A certified listing of any adverse action taken against any facility owned and/or operated by the Applicant during the three years prior to the filing of the application.

By their signatures on the Certification pages to this application, each of the Applicants attest that to the best of their knowledge no adverse action has been taken against any health facility owned and/or operated by them during the three (3) years prior to the filing of this application.

3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.

By their signatures to the Certification pages to this application, each of the Applicants authorize HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: (i) official records of DPH or other State agencies; (ii) the licensing or certification records of other states, when applicable; and (iii) the records of nationally recognized accreditation organizations.

Section IV, Change of Ownership

Attachment 15, Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

Section 1130.520, Information Requirements for Change of Ownership of a Health Care Facility

1. 1130.520(b)(1)(A), Names of Parties:

An organizational chart showing the current corporate structure of the entities listed as b through e below (the "Applicants") and the surgery center, along with the post-closing ownership structure of the Applicants is included in Attachment 4. Good standing certificates for the Applicants are also attached

- a. Schaumburg Surgery Center, LLC (the "Surgery Center"): The Surgery Center is an Illinois limited liability company and is the licensed operator of Schaumburg Surgery Center. The Surgery Center leases space within a medical office building for its surgery center. Other than the lease, the Surgery Center has no relationship or affiliation with the owner of the Property, except that several individual physicians collectively own a non-controlling interest of less than 20% of the Property. There is no change in any operations at the Surgery Center as a result of this transaction. The Surgery Center is not affiliated and not a party to the transaction involving the realty, and is included for informational purposes, but not as an applicant.
- b. Chicagoland Medical Portfolio DST ("Chicagoland DST"): Chicagoland DST is a Delaware statutory trust company and the current owner of the medical office building in which the Surgery Center is located. A Delaware Certificate of Good Standing is attached.
- c. KAREP V MO REIT, LLC ("KAREP"): KAREP is a Delaware limited liability company. KAREP is a real estate investment trust and is the controlling entity of Medical Properties and is consequently included as a co-applicant. Because KAREP performs no operations in Illinois, it is not required to obtain authorization to do business in Illinois, therefore an Illinois Certificate of Good Standing for a foreign limited liability company is not applicable, but a Delaware Certificate of Good Standing is included.
- d. Schaumburg Medical Properties LLC ("Medical Properties"): Medical Properties is a Delaware limited liability company and will be the entity that will hold title to the real

property under the proposed transaction. An Illinois certificate authorizing Medical Properties to do business in Illinois is included.

- e. The Inland Group, ("Inland"): Inland is a Delaware corporation and is the controlling entity of Chicagoland DST and is consequently included as a co-applicant. A Delaware Certificate of Good Standing is included.
2. **1130.520(b)(1)(B), Background of Parties:** Each of the Applicants, by their signatures to the Certification pages of this application, attest that they are fit, willing, able and have the qualifications, background and character to adequately provide a proper standard of health service for the community.

By their signatures on the Certification pages to this application, each of the Applicants attest that to the best of their knowledge no adverse action has been taken against any health facility owned and/or operated by each of them during the three (3) years prior to the filing of this application.

3. **1130.520(b)(1)(C), Structure of the Transaction:**

Schaumburg Surgery Center, is located within a medical office building located at 929 W. Higgins Road, Schaumburg (the "Property"). The current owner of that Property, Chicagoland DST, and other entities affiliated with the Chicagoland DST have executed a Purchase and Sale Agreement dated January 30, 2018 to sell the Property to Schaumburg Medical Properties, LLC. Closing on the purchase agreement for the Property is subject to the approval of a COE by the Review Board.

The purchase price for the Property is \$17,750,000 and the Property will be conveyed to Medical Properties through a special warranty deed which will be recorded with the Cook County Recorder's Office. Medical Properties is controlled by KAREP. The Surgery Center is not a party to transaction selling the Property. The Property will be managed by MB Real Estate Services, Inc. ("MBRE") after the transaction.

This application for a certificate of exemption is for the change in ownership of the physical plant only and there is no change to the ownership or operation of the facility.

The Property is improved with an approximately 40,000 square foot medical office building (the "Building"). The Surgery Center is a sub-tenant in the Building and leases approximately 5,000 square feet of the Building (the "Leased Space"). As the Leased Space represents approximately 12.5% of the total square feet of the Building, the estimated value of the Property attributable to the Leased Space is approximately \$2,218,750. The acquisition of the Property by Medical Properties is not expected to

result in any changes in the operations of the License Holder or the activities or operations conducted in the Lease Space.

4. **1130.520(b)(1)(D), Name of Licensed Entity after Transaction:** Schaumburg Surgery Center, LLC will continue to be the licensed entity after the Proposed Transaction. There is no change in the licensed entity as a consequence of the Proposed Transaction.
5. **1130.520(b)(1)(E), List of Ownership/Membership Interests in Licensed Entity Prior to and After Transaction:** An organizational chart showing the current ownership structure of the Applicants, along with the post-closing ownership structure, is included in Attachment 4. Good standing certificates for each of the Applicants are included in Attachment 1.
6. **1130.520(b)(1)(F), Fair Market Value of Assets to be Transferred:** The purchase price for the entire medical office building is \$17,750,000. The space leased by Schaumburg Surgery Center is approximately 12.5% of the total Building, meaning the fair market value of the licensed surgery center space would be approximately \$2,218,750. The transaction is among unrelated parties and the purchase price would be the fair market value.
7. **1130.520(b)(1)(G), Purchase Price or Other Forms of Consideration to be Provided:** The purchase price for the entire medical office building is \$17,750,000. The space leased by Schaumburg Surgery Center is approximately 12.5% of the total Building, meaning the purchase price attributes to the licensed surgery center space would be approximately \$2,218,750.
8. **1130.520(b)(2), Affirmations:** In accordance with 77 Ill. Adm. Code §1130.520, each of the Applicants affirm the following:
 - a. The transaction documents contain a provision that closing is subject to COE approvals.
 - b. No adverse action has been taken against any of the Applicants by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by any of the Applicants, directly or indirectly, within the past three years.
 - c. Any projects for which permits have been issued by the Review Board have been completed or will be completed or altered in accordance with the provisions of 77 Ill. Adm. Code §1130.520.

- d. The Applicants understand that failure to complete the transaction in accordance with the applicable provisions of Section 1130.500(d) no later than 24 months from the date of exemption approval and failure to comply with the material change requirements of this Section will invalidate the exemption.

9. **1130.520(b)(2), Statement as to the Anticipated Benefits of the Proposed Changes in Ownership to the Community.**

There should be no change in the operation of the Applicant facility as a result of the proposed transaction.

10. **1130.520(b)(2), Statement as to the Anticipated or Potential Cost Savings, if any, That Will Result for the Community and the Facility as a Result of the Change in Ownership.**

There should be no change in the operation of the Applicant facility as a result of the proposed transaction.

11. **1130.520(b)(2), Description of the Facility's Quality Improvement Program Mechanism that will be Utilized to Assure Quality Control.**

There should be no change in the operation of the Applicant facility as a result of the proposed transaction.

12. **1130.520(b)(2), Description of the applicants' organizational structure, including a listing of controlling or subsidiary persons.**

Diagrams illustrating the ownership structure, both current and post transaction, are provided in Attachment 4.

13. **1130.520(b)(2), Description of the selection process that the acquiring entity will use to select the facility's governing body.**

There should be no change in the process for selecting the governing board of the facility as a result of the proposed transaction.

14. **1130.520(b)(2), Statement that the applicants have prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility.**

The Applicants have or will prepare a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 that will be available for public review.

15. **1130.520(b)(2), Description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within twenty-four (24) months after acquisition.**

To the best of the Applicants' knowledge there are no proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within twenty-four (24) months as a result of the transaction.

Section X, Charity Care Information

Attachment 41, Charity Care Information

CHARITY CARE			
	2014	2015	2016
Net Patient Revenue	N/A	N/A	N/A
Amount of Charity Care (charges)	N/A	N/A	N/A
Cost of Charity Care	N/A	N/A	N/A

*Schaumburg Surgery Center began operations in 2017. No facility profile data is yet available.

SAUL EWING
ARNSTEIN
& LEHR ^{LLP}

E-016-18

Joe Ourth
Phone: 312.876.7815
joe.ourth@saule.com
www.saul.com

March 15, 2018

Via Overnight Courier

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Change of Ownership COE Application
929 W. Higgins Road, Schaumburg, Illinois (Realty Only)
(Schaumburg Surgery Center)

Dear Ms. Avery:

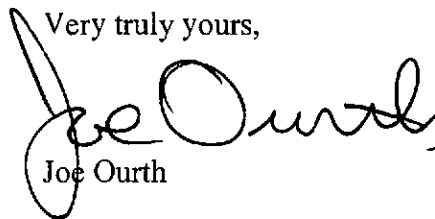
Enclosed please find our application for a Change of Ownership Certificate of Exemption Application. This application relates to a change in ownership of the real property located at 929 W. Higgins Road in Schaumburg (the "Property").

The Property is currently owned by Chicago Medical Portfolio DST and will be sold to Schaumburg Medical Properties, LLC. Schaumburg Surgery Center is a licensed ASTC which is a sub-tenant in a portion of the Property. The Surgery Center is an unrelated party and is not a party to the sale of the Property and is not a co-applicant to this application.

A check for the \$2,500.00 application filing fee is attached.

As always, we look forward to working with you on this application.

Very truly yours,



Joe Ourth

JRO:eka
Enclosures
cc: Mike Constantino

161 North Clark • Suite 4200 • Chicago, IL 60601
Phone: (312) 876-7100 • Fax: (312) 876-0288

DELAWARE FLORIDA ILLINOIS MARYLAND MASSACHUSETTS NEW JERSEY NEW YORK PENNSYLVANIA WASHINGTON, DC

A DELAWARE LIMITED LIABILITY PARTNERSHIP